

Message Text

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ACTION EB-03

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P 112121Z JUN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 4163

C O N F I D E N T I A L CARACAS 5298

LIMDIS

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: SUGGESTED DEMARCHE PRIOR TO OPEC MEETING IN QUITO

REF: STATE 122431

1. I HAD YESTERDAY, BEFORE RECEIPT OF REFTEL THIS AFTERNOON AND FOLLOWING UPON A PLEASANT CONVERSATION WITH THE MINISTER OF MINES AND HYDROCARBONS LAST SATURDAY NIGHT, ENDEAVORED TO ARRANGE A LUNCHEON MEETING WITH HIM ALONE IN WHICH WE COULD DISCUSS MUTUAL PROBLEMS SOMEWHAT ALONG THE LINES OF REFTEL. HOWEVER, MINISTER VALENTIN HERNANDEZ IS CURRENTLY CHAIRING THE IMPORTANT VENEZUELAN PETROLEUM CONGRESS AND WILL PROBABLY DEPART NO LATER THAN JUNE 14 FOR QUITO. IN CONSEQUENCE, CHANCES OF SEEING HIM ARE DISTINCTLY SLIGHT.

2. IN MY PAST FOUR YEARS OF DEALING WITH VENEZUELAN GOVERNMENT, A REPRESENTATION SUCH AS OUTLINED PARA 3.F REFTEL WOULD BE CONSTRUED AS U.S. GOVERNMENTAL INTERVENTION IN BEHALF OF PRIVATE FOREIGN COMPANIES AND WOULD INVOKE AN INSTANT ADVERSE REACTION.

3. AS FOR HOPEFUL COMMENT IN PARA 3.A REFERRING TO RECENT VISITS OF FORMER TREASURY SECRETARY SHULTZ AND AMBASSADOR EBERLE, CONFIDENTIAL

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WE HAVE ALREADY INDICATED BY NODIS MESSAGES THAT SHULTZ VISIT

WAS NEGATIVE SO FAR AS REACTION OF PRESIDENT OF VENEZUELA WAS CONCERNED. IN FACT, THE ISSUE THERE JOINED WAS PRECISELY THE ISSUE RAISED REFTEL, NAMELY, VENEZUELAN DESIRE TO KEEP OIL PRICES HIGH AND U.S. DESIRE TO KEEP OIL PRICES LOW.

4. AT THE PRESENT TIME, THE POWERFUL MINISTER OF STATE FOR ECONOMIC AFFAIRS, MANUEL PEREZ GUERRERO, AND MINISTER OF FINANCE HURTADO ARE IN WASHINGTON; AND MINISTER OF FOREIGN AFFAIRS SCHACHT IS IN LONDON. THEREFORE, IN ABSENCE OF RESPONSIBLE MINISTER WITH WHOM TO CONVERSE, AND IN VIEW OF WHAT I CAN PREDICT ALMOST CERTAINLY WILL BE A COUNTERPRODUCTIVE REACTION, I SUGGEST THAT PROPOSED DEMARCHE BE CONDUCTED ON A FRIENDLY, INFORMAL AND LOW-KEY

DISCUSSION WITH INFLUENTIAL DIRECTOR GENERAL OF CORDIPLAN, WHO HAS READY ACCESS TO GUMERSINDO RODRIGUEZ AND WHO IS ON SUFFICIENTLY FRIENDLY TERMS WITH THIS EMBASSY NOT TO CONVERT SUCH AN APPROACH INTO AN ADVERSARY REACTION.
MCCLINTOCK

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